

June 18, 2002

Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**JOINT RESOLUTION BETWEEN THE COUNTY OF LOS ANGELES AND THE CITY COUNCIL OF THE CITY OF AZUSA ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE AS A RESULT OF THE PROPOSED ANNEXATION OF UNINCORPORATED LOS ANGELES COUNTY TERRITORY TO THE CITY OF AZUSA (MOUNTAIN COVE ANNEXATION NO. 00-C7)  
(SUPERVISORIAL DISTRICTS 1 AND 5) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the attached Joint Resolution between your Board and the City Council of the City of Azusa (City) based on the negotiated exchange of property tax revenue, as a result of the proposed annexation of approximately 78 acres in unincorporated Los Angeles County to the City's boundaries.
2. Authorize the Chief Administrative Officer to provide the Local Agency Formation Commission (LAFCO) for the County of Los Angeles a waiver of the protest proceedings for the proposed annexation, pursuant to Section 56663(c)(2) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On May 6, 2002, the City Council of the City of Azusa adopted the attached Joint Resolution based on the negotiated exchange of property tax revenue resulting from the proposed annexation of unincorporated Los Angeles County territory into the City's legal boundaries. In order for LAFCO to proceed with the required hearings on the proposed annexation, your Board, as the governing body of the County, must also adopt the attached Joint Resolution, which transfers base revenue and a portion of the annual property tax increment ratio from the County to the City and adjusts the County and the City's share of the annual property tax increment ratio accordingly.

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As a means of expediting the annexation, the County may provide LAFCO with its consent to a waiver of protest proceedings. If all of the public agencies involved and the landowner consent to the waiver, the need for a LAFCO protest hearing is eliminated and LAFCO may order the annexation at its first meeting.

### **FISCAL IMPACT/FINANCING**

The adopted resolution will transfer three hundred sixty-eight dollars (\$368) in base property tax revenue from the County to the City and will allocate a share (.102562429) of the annual property tax increment attributable to the Mountain Cove annexation from the County to the City commencing in Fiscal Year 2003-04.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to Part 3, Division 3, Title 5 of the California Government Code, commencing with Section 56000, the City filed its application with LAFCO on September 1, 2001, to initiate proceedings for annexation of approximately 78 acres of unincorporated Los Angeles County territory.

The proposed annexation area is unimproved and is located in the Fifth Supervisorial District, north of the City of Azusa (First Supervisorial District) and adjoining the National Forest. The annexation area is privately owned property and is a part of the 258-acre Mountain Cove residential development project, most of which is within the City limits.

The developer proposes 331 single-family homes in the entire development. Of the 331 homes planned, 33 homes will be developed on 20 of the 78 acres to be annexed to the City. The remaining 58 acres will remain as open space. The City's annexation proposal would allow the entire development to be located in the City's jurisdiction. As a result of the proposed annexation, the property owner, Azusa Associates, LLC (a division of Standard Pacific Homes) submitted an application to LAFCO for annexation of 22 acres to the Upper San Gabriel Valley Municipal Water District (District) to allow the development to receive wholesale water services. The remainder of the development is already within the District.

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Section 99 of the Revenue and Taxation (R&T) Code requires that prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service area or service responsibilities will be altered by such change must negotiate a reallocation of property tax revenue between the affected agencies, and approve and accept such reallocation by resolution. The City has adopted the Joint Resolution, as required by Section 99 of the R&T Code.

Adoption of the Resolution by your Board will allow LAFCO to schedule the required public hearing to consider testimony on the proposed annexation. LAFCO will subsequently take action to approve, approve with changes, or disapprove the proposal.

Pursuant to Section 56663(c), LAFCO may waive protest proceedings if: (1) the proposed territory is uninhabited, (2) the affected agencies that will gain or lose territory as a result of the change of organization or reorganization have consented in writing to a waiver of protest proceedings; and (3) the affected owners of land have also agreed to the waiver. The territory proposed for annexation to the City is uninhabited. The City of Azusa and the landowner, Azusa Associates, have provided LAFCO with consent to waive the protest proceedings. Upon your Board's authorization, the Chief Administrative Officer will provide LAFCO a similar waiver.

The Joint Resolution has been approved as to form by County Counsel.

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**CONCLUSION**

At such time as the recommendation is approved by your Board, please return one copy of this letter and five signed originals of the Resolution to LAFCO, three copies of this letter and two signed originals of the Resolution to the Chief Administrative Office, Office of Unincorporated Area Services and Special Projects, and one copy of the letter and Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:LS  
DD:MJS:os

Attachment

c: Auditor-Controller  
County Counsel